DECLARATION

The foregoing statements are true and correct to the best of our knowledge, information and belief.

LEE L. SELWYN

PATRICIA D. KRAVTIN

LEE L. SELWYN

Statement of Qualifications



Statement of Qualifications

DR. LEE L. SELWYN

Dr. Lee L. Selwyn has been actively involved in the telecommunications field for more than twenty-five years, and is an internationally recognized authority on telecommunications regulation, economics and public policy. Dr. Selwyn founded the firm of Economics and Technology, Inc. in 1972, and has served as its President since that date. He received his Ph.D. degree from the Alfred P. Sloan School of Management at the Massachusetts Institute of Technology. He also holds a Master of Science degree in Industrial Management from MIT and a Bachelor of Arts degree with honors in Economics from Queens College of the City University of New York.

Dr. Selwyn has testified as an expert on rate design, service cost analysis, form of regulation, and other telecommunications policy issues in telecommunications regulatory proceedings before some forty state commissions, the Federal Communications Commission and the Canadian Radio-television and Telecommunications Commission, among others. He has appeared as a witness on behalf of commercial organizations, non-profit institutions, as well as local, state and federal government authorities responsible for telecommunications regulation and consumer advocacy.

He has served or is now serving as a consultant to numerous state utilities commissions including those in Arizona, Minnesota, Kansas, Kentucky, the District of Columbia, Connecticut, California, Delaware, Maine, Massachusetts, New Hampshire, Vermont, New Mexico, Wisconsin and Washington State, the Office of Telecommunications Policy (Executive Office of the President), the National Telecommunications and Information Administration, the Federal Communications Commission, the Canadian Radio-television and Telecommunications Commission, the United Kingdom Office of Telecommunications, and the Secretaria de Comunicaciones y Transportes of the Republic of Mexico. He has also served as an advisor on telecommunications regulatory matters to the International Communications Association and the Ad Hoc Telecommunications Users Committee, as well as to a number of major corporate telecommunications users, information services providers, paging and cellular carriers, and specialized access services carriers.

Dr. Selwyn has presented testimony as an invited witness before the U.S. House of Representatives Subcommittee on Telecommunications, Consumer Protection and Finance and before the U.S. Senate Judiciary Committee, on subjects dealing with restructuring and deregulation of portions of the telecommunications industry.

In 1970, he was awarded a Post-Doctoral Research Grant in Public Utility Economics under a program sponsored by the American Telephone and Telegraph Company, to conduct research on the economic effects of telephone rate structures upon the computer time sharing industry. This work was conducted at Harvard University's Program on Technology and Society, where he was appointed as a Research Associate. Dr. Selwyn was also a member of the faculty at the College of Business Administration at Boston University from 1968 until 1973, where he taught courses in economics, finance and management information systems.



Dr. Selwyn has published numerous papers and articles in professional and trade journals on the subject of telecommunications service regulation, cost methodology, rate design and pricing policy. These have included:

"Taxes, Corporate Financial Policy and Return to Investors" *National Tax Journal*, Vol. XX, No.4, December 1967.

"Pricing Telephone Terminal Equipment Under Competition" *Public Utilities Fortnightly*, December 8, 1977.

"Deregulation, Competition, and Regulatory Responsibility in the Telecommunications Industry"

Presented at the 1979 Rate Symposium on Problems of Regulated Industries C Sponsored by: The American University, Foster Associates, Inc., Missouri Public Service Commission, University of Missouri-Columbia, Kansas City, MO, February 11 C 14, 1979.

"Sifting Out the Economic Costs of Terminal Equipment Services" *Telephone Engineer and Management*, October 15, 1979.

"Usage-Sensitive Pricing" (with G. F. Borton) (a three part series)

Telephony, January 7, 28, February 11, 1980.

"Perspectives on Usage-Sensitive Pricing" *Public Utilities Fortnightly*, May 7, 1981.

"Diversification, Deregulation, and Increased Uncertainty in the Public Utility Industries" Comments Presented at the Thirteenth Annual Conference of the Institute of Public Utilities, Williamsburg, VA C December 14 C 16, 1981.

"Local Telephone Pricing: Is There a Better Way?; The Costs of LMS Exceed its Benefits: a Report on Recent U.S. Experience."

Proceedings of a conference held at Montreal, Quebec C Sponsored by Canadian Radio-Television and Telecommunications Commission and The Centre for the Study of Regulated Industries, McGill University, May 2 C 4, 1984.

"Long-Run Regulation of AT&T: A Key Element of A Competitive Telecommunications Policy" *Telematics*, August 1984.

"Is Equal Access an Adequate Justification for Removing Restrictions on BOC Diversification?"

Presented at the Institute of Public Utilities Eighteenth Annual Conference, Williamsburg, VA C December 8 C 10, 1986.



"Market Power and Competition Under an Equal Access Environment"

Presented at the Sixteenth Annual Conference, "Impact of Deregulation and Market
Forces on Public Utilities: The Future Role of Regulation"

Institute of Public Utilities, Michigan State University, Williamsburg, VA C December 3
C 5, 1987.

"Contestable Markets: Theory vs. Fact"

Presented at the Conference on Current Issues in Telephone Regulations: Dominance and Cost Allocation in Interexchange Markets C Center for Legal and Regulatory Studies Department of Management Science and Information Systems C Graduate School of Business, University of Texas at Austin, October 5, 1987.

"The Sources and Exercise of Market Power in the Market for Interexchange Telecommunications Services"

Presented at the Nineteenth Annual Conference C "Alternatives to Traditional Regulation: Options for Reform" C Institute of Public Utilities, Michigan State University, Williamsburg, VA, December, 1987.

"Assessing Market Power and Competition in The Telecommunications Industry: Toward an Empirical Foundation for Regulatory Reform"

Federal Communications Law Journal, Vol. 40 Num. 2, April 1988.

"A Perspective on Price Caps as a Substitute for Traditional Revenue Requirements Regulation"

Presented at the Twentieth Annual Conference C "New Regulatory Concepts, Issues and Controversies" C Institute of Public Utilities, Michigan State University, Williamsburg, VA, December, 1988.

"The Sustainability of Competition in Light of New Technologies" (with D. N. Townsend and P. D. Kravtin) *Presented at the Twentieth Annual Conference C Institute of Public Utilities Michigan State University*, Williamsburg, VA, December, 1988.

"Adapting Telecom Regulation to Industry Change: Promoting Development Without Compromising Ratepayer Protection" (with S. C. Lundquist)

IEEE Communications Magazine, January, 1989.

"The Role of Cost Based Pricing of Telecommunications Services in the Age of Technology and Competition" *Presented at National Regulatory Research Institute Conference*, Seattle, July 20, 1990.

"A Public Good/Private Good Framework for Identifying POTS Objectives for the Public Switched Network" (with Patricia D. Kravtin and Paul S. Keller) Columbus, Ohio: *National Regulatory Research Institute*, September 1991.

"Telecommunications Regulation and Infrastructure Development: Alternative Models for the Public/Private Partnership"



Prepared for the Economic Symposium of the International Telecommunications Union Europe Telecom '92 Conference, Budapest, Hungary, October 15, 1992.

"Efficient Infrastructure Development and the Local Telephone Company's Role in Competitive Industry Environment" *Presented at the Twenty-Fourth Annual Conference, Institute of Public Utilities, Graduate School of Business, Michigan State University, "Shifting Boundaries between Regulation and Competition in Telecommunications and Energy"*, Williamsburg, VA, December 1992.

"Measurement of Telecommunications Productivity: Methods, Applications and Limitations" (with Françoise M. Clottes)

Presented at Organisation for Economic Cooperation and Development, Working Party on Telecommunication and Information Services Policies, '93 Conference "Defining Performance Indicators for Competitive Telecommunications Markets", Paris, France, February 8-9, 1993.

"Telecommunications Investment and Economic Development: Achieving efficiency and balance among competing public policy and stakeholder interests"

Presented at the 105th Annual Convention and Regulatory Symposium, National Association of Regulatory Utility Commissioners, New York, November 18, 1993.

"The Potential for Competition in the Market for Local Telephone Services" (with David N. Townsend and Paul S. Keller), presented at Organization for Economic Cooperation and Development Workshop on Telecommunication Infrastructure Competition, December 6-7, 1993.

"Market Failure in Open Telecommunications Networks: Defining the new natural monopoly," *Utilities Policy*, Vol. 4, No. 1, January 1994.

"The Enduring Local Bottleneck: Monopoly Power and the Local Exchange Carriers," (with Susan M. Gately, et al) report prepared by ETI and Hatfield Associates, Inc. for AT&T, MCI and CompTel, February 1994.

"Commercially Feasible Resale of Local Telecommunications Services: An Essential Step in the Transition to Effective Local Competition," (Susan M. Gately, et al) a report prepared by ETI for AT&T, July 1995.

"Efficient Public Investment in Telecommunications Infrastructure" *Land Economics*, Vol 71, No.3, August 1995.

"Market Failure in Open Telecommunications Networks: Defining the new natural monopoly," in *Networks, Infrastructure, and the New Task for Regulation*, by Werner Sichel and Donal L. Alexander, eds., University of Michigan Press, 1996.

Dr. Selwyn has been an invited speaker at numerous seminars and conferences on telecommunications regulation and policy, including meetings and workshops sponsored by the National Telecommunications and Information Administration, the National Association of Regulatory Utility Commissioners, the U.S. General Services Administration, the Institute of Public



Utilities at Michigan State University, the National Regulatory Research Institute at Ohio State University, the Harvard University Program on Information Resources Policy, the Columbia University Institute for Tele-Information, the International Communications Association, the Tele-Communications Association, the Western Conference of Public Service Commissioners, at the New England, Mid-America, Southern and Western regional PUC/PSC conferences, as well as at numerous conferences and workshops sponsored by individual regulatory agencies.

PATRICIA D. KRAVTIN

Statement of Qualifications

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PATRICIA D KRAVTIN

Patricia D. Kravtin is Senior Vice President at ETI. Ms. Kravtin did graduate study in the Ph.D. program in Economics at the Massachusetts Institute of Technology, where she was a National Science Foundation Fellow. Her fields of study have included Industrial Organization, Government Regulation of Industry, and Urban and Regional Economics. While at M.I.T., Ms. Kravtin performed research for the Sloan School of Management and the Joint Center for Urban Studies of M.I.T. and Harvard. Her own empirical work has centered on multiproduct industries and has included econometric estimation of multiproduct cost functions and measurement of product-specific economies of scale and economies of joint production.

While in Washington, D.C., Ms. Kravtin gained valuable insight into the regulatory process performing research and policy analysis at the United States Department of Commerce, the Securities and Exchange Commission, and the Private Radio Bureau of the Federal Communications Commission.

Since joining ETI in 1982, Ms. Kravtin has been actively involved in state regulatory proceedings throughout the country and has frequently testified as an expert witness before regulatory commissions. Ms. Kravtin has testified before the Arizona Corporation Commission, Arkansas Public Service Commission, California Public Utilities Commission, Connecticut Department of Public Utility Control, Delaware Public Service Commission, Florida Public Service Commission, Georgia Public Service Commission, Illinois Commerce Commission, Kansas Corporation Commission, Kentucky Public Service Commission, Louisiana Public Service Commission, Maine Public Utilities Commission, Minnesota Public Utilities Commission, the Mississippi Public Service Commission, New Hampshire Public Utility Commission, New Jersey Board of Regulatory Commissioners, New York Public Service Commission, Puerto Rico Telecommunications Regulatory Board, Rhode Island Public Utilities Commission, South Carolina Public Service Commission, and the Tennessee Public Service Commission.

Ms. Kravtin has also on numerous occasions submitted written testimony and other filings before the Federal Communications Commission, the Federal Energy Regulatory Commission, and international agencies including the Canadian Radio-television and Telecommunications Commission, and the Guam Public Utilities Commission. Ms. Kravtin has testified as an expert witness in anti-trust litigation before the United States District Court for the Eastern District of Tennessee at Greeneville, and has served as an expert in a number of anti-trust cases involving monopolization by the local telephone company. Ms. Kravtin has served as advisor to a number of state regulatory commissions, including most recently, the Public Service Commission of the District of Columbia.

Ms. Kravtin has also testified before a number of state legislative committees including the Ohio General Assembly Senate Select Committee on Telecommunications Infrastructure and Technology and the New Jersey Senate Transportation and Public Utility Committee.



Ms. Kravtin has conducted major studies in the areas of rate regulation, total factor productivity, cost of service, incentive regulation, network modernization, plant utilization, stranded investment, merger synergies, intercompany cost and benchmark price comparisons, embedded versus forward-looking investment, econometric demand and cost models, statistical market research, and cost allocation for ETI clients.

Ms. Kravtin has actively participated in a number of proceedings relating to the implementation of local competition in the telecommunications industry pursuant to federal and state legislation, covering such topics as universal service, access charges, cost of basic service, interconnection, unbundling of network elements, pole attachment rates, and tariff development for new entrants. Ms. Kravtin has also participated in a number of proceedings related to electric utility restructuring, with emphasis on issues concerning the potential cross-subsidization of competitive ventures, including entry into telephony and cable, by monopoly ratepayers.

Ms. Kravtin has also been actively involved in the cable TV industry for more than a decade, researching changing market and technological trends and monitoring the integration of the cable and telecommunications industries. Ms. Kravtin has gained extensive cable television rate regulation expertise in connection with the implementation of the Cable Act of 1992 and the Telecommunications Act of 1996, by the Federal Communications Commission and local franchise authorities. As part of that work, she participated in significant economic studies on cable television rate regulation related to implementation of the Cable Act of 1992.

Ms. Kravtin has developed particular expertise regarding the potential entry into video and multi-media information service markets by local telephone companies and other new entrants. In the early to mid-1990's, Ms. Kravtin submitted numerous filings before the FCC and state commissions concerning the economics of video dial tone investment and VDT-related tariffs proposed by New Jersey Bell, Pacific Bell, Ameritech, Southern New England Telephone, US West, GTE, Bell Atlantic, BellSouth, NYNEX, Puerto Rico Telephone Company and Carolina Telephone in over 25 Section 214 Application proceedings. More recently, Ms. Kravtin has participated in studies evaluating telephone company deployment of xDSL technology in competition with the deployment of cable modems and other broadband alternatives.

Ms. Kravtin has authored and co-authored numerous papers and reports pertaining to these issues. These include the following:

"Building a Broadband America: The Competitive Keys to the Future of the Internet," prepared for The Competitive Broadband Coalition, May 1999.

"Broken Promises: A Review of Bell Atlantic-Pennsylvania's Performance Under Chapter 30," prepared for AT&T and MCI Telecommunications, June 1998.

"Analysis of Opportunities for Cross Subsidies Between GTA and GTA Cellular," prepared for Guam Cellular and Paging, submitted to the Guam Public Utilities Commission, July 11, 1997.

"Reply to Incumbent LEC Claims to Special Revenue Recovery Mechanisms," submitted in



- the Matter of Access Charge Reform in CC Docket 96-262, February 14, 1997.
- "Assessing Incumbent LEC Claims to Special Revenue Recovery Mechanisms: Revenue opportunities, market assessments, and further empirical analysis of the 'Gap' between embedded and forward-looking costs," submitted in CC Docket 96-262, January 29, 1997.
- "Analysis of Incumbent LEC Embedded Investment: An Empirical Perspective on the 'Gap' between Historical Costs and Forward-looking TSLRIC," Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, submitted in FCC CC Docket 96-98, May 30, 1996.
- "Reply to X-Factor Proposals for the FCC Long-Term LEC Price Cap Plan," prepared for the Ad Hoc Telecommunications User Committee, submitted in FCC CC Docket 94-1, March 1, 1996.
- "Establishing the X-Factor for the FCC Long-Terms LEC Price Cap Plan," prepared for the Ad Hoc Telecommunications User Committee, submitted in FCC CC Docket 94-1, December 1995.
- "The Economic Viability of Stentor's 'Beacon Initiative,' exploring the extent of its financial dependency upon revenues from services in the Utility Segment," prepared for Unitel, submitted as evidence before the Canadian Radio-television and Telecommunications Commission, March 1995.
- "Fostering a Competitive Local Exchange Market in New Jersey: Blueprint for Development of a Fair Playing Field," prepared for the New Jersey Cable Television Association, January 1995.
- "The Enduring Local Bottleneck: Monopoly Power and the Local Exchange Carriers," February 1994.
- "A Note on Facilitating Local Exchange Competition," prepared for E.P.G., November 1991.
- "Testing for Effective Competition in the Local Exchange," prepared for the E.P.G., October 1991.
- "A Public Good/Private Good Framework for Identifying Pots Objectives for the Public Switched Network" prepared for the National Regulatory Research Institute, October 1991.
- "Report on the Status of Telecommunications Regulation, Legislation, and modernization in the states of Arkansas, Kansas, Missouri, Nebraska, Oklahoma and Texas," prepared for the Mid-America Cable-TV Association, December 13, 1990.
- "The U S Telecommunications Infrastructure and Economic Development," presented at the 18th Annual Telecommunications Policy Research Conference, Airlie, Virginia, October 1990.



- "An Analysis of Outside Plant Provisioning and Utilization Practices of US West Communications in the State of Washington," prepared for the Washington Utilities and Transportation Commission, March 1990.
- "Sustainability of Competition in Light of New Technologies," presented at the Twentieth Annual Williamsburg Conference of the Institute of Public Utilities, Williamsburg, Virginia, December 1988.
- "Telecommunications Modernization: Who Pays?," prepared for the National Regulatory Research Institute, September 1988.
- "Industry Structure and Competition in Telecommunications Markets: An Empirical Analysis," presented at the Seventh International Conference of the International Telecommunications Society at MIT, July 1988.
- "Market Structure and Competition in the Michigan Telecommunications Industry," prepared for the Michigan Divestiture Research Fund Board, April 1988.
- "Impact of Interstate Switched Access Charges on Information Service Providers Analysis of Initial Comments," submitted in FCC CC Docket No. 87-215, October 26, 1987.
- "An Economic Analysis of the Impact of Interstate Switched Access Charge Treatment on Information Service Providers," submitted in FCC CC Docket No. 87-215, September 24, 1987.
- "Regulation and Technological Change: Assessment of the Nature and Extent of Competition From A Natural Industry Structure Perspective and Implications for Regulatory Policy Options," prepared for the State of New York in collaboration with the City of New York, February 1987.
- "BOC Market Power and MFJ Restrictions: A Critical Analysis of the 'Competitive Market' Assumption," submitted to the Department of Justice, July 1986.
- "Long-Run Regulation of AT&T: A Key Element of a Competitive Telecommunications Policy," *Telematics*, August 1984.
- "Economic and Policy Considerations Supporting Continued Regulation of AT&T," submitted in FCC CC Docket No. 83-1147, June 1984.
- Ms. Kravtin attended George Washington University on an Honor Scholarship where she received a B.A. with Distinction in Economics. She was elected to Phi Beta Kappa and Omicron Delta Epsilon in recognition of high scholastic achievement in the field of Economics. Ms. Kravtin is a member of the American Economic Association.



CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of July, 2000, I caused true and correct copies of the foregoing Comments of AT&T Corp. to be served on all parties by mailing, postage prepaid to their addresses listed on the attached service list.

Dated: July 21, 2000

Washington, D.C.

Peter M. Andros

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